STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Securities Act of Washington by: JLA Nordstjärna, Gerald Alan Sherman, David L. Johnson, their agents and employees; Respondents.	S-02-231-03-CO01 CONSENT ORDER AS TO DAVID L JOHNSON

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions ("Securities Division") and Respondent, David L. Johnson, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

FINDINGS OF FACT

I. Respondents

1. JLA Nordstjärna ("JLAN") describes itself as a business trust organized in the United States of America. JLAN has a primary address at Post Office Box 1424 Mercer Island, Washington 98040. A search of the Washington Secretary of State's records reveals no such business entity registered in the State of Washington.

2. Gerald Alan Sherman ("Sherman") is a resident of the State of Washington, with a primary residence located on Mercer Island, Washington. Sherman was the general manager for JLAN at all times relevant to this matter.

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PO Box 9033
Olympia, WA 98507-9033
360-902-8760

3. David L. Johnson ("Johnson") is a resident of the state of West Virginia with a primary residence in West Virginia. Johnson was a sales agent for JLAN at all times relevant to this matter.

II. Nature of the Offering

4. Prior to June 1999, Robert Duncan ("Duncan") had profitably invested money with Johnson and had expressed interest to Johnson in participating in future investment opportunities. In June 1999, Johnson contacted Duncan in Switzerland and discussed a possible investment opportunity through Sherman and JLAN. In July 1999, Johnson referred Duncan to Sherman. Sherman represented to Duncan that he was the manager of JLAN.

5. In March 2000, Johnson told Duncan that Sherman was putting together an investment opportunity in hi-yield, bank-related financial instruments and if Duncan could invest $100,000 by May 2000 he could participate. In order to raise the minimum amount, Duncan began to contact friends and family. By May 2000, Duncan had gathered at least four other investors who were interested in investing in the opportunity offered by Johnson, Sherman and JLAN. The investors agreed to pool their funds and invest through the Bahamian corporation managed by Duncan, called DAR SA.

6. In May of 2000, Duncan contacted a friend who is a resident of the State of Texas. Duncan informed the Texas resident of the possible investment opportunity. Duncan put the Texas resident in touch with Johnson in the state of West Virginia. Johnson, acting as an agent for JLAN, sent the Texas resident information regarding the hi-yield, bank-related financial instruments; through which an investor would participate in "off-balance-sheet trading" and would purchase "Medium Term Notes". Johnson told the Texas resident that the investment would be made through Sherman and JLAN on Mercer Island, Washington.

7. On May 17, 2000, JLAN and Sherman executed a Joint Venture Agreement with DAR SA. The Joint Venture Agreement stated that JLAN would invest funds in a "secured private placement investment or any other secured endeavor where an expedient profit may be obtained." In the Agreement, JLAN was given the "authority to control and place these funds as stipulated in any investment contract that will be offered to JLAN."

8. The total dollar amount invested through DAR SA by the investors gathered by Duncan was $397,000. The Agreement stated in part that DAR SA would receive $397,000 each month for eleven consecutive months. Also on May 17, 2000, Sherman executed a Promissory Note on behalf of JLAN for the repayment of the principal amount invested by DAR SA. JLAN agreed to repay DAR SA $397,000 on May 31, 2001.

9. In order to participate in the investment opportunity, the Texas resident transferred a total of $50,000 to Sherman. On May 25, 2000, the Texas resident executed a wire transfer for $25,000 from his brokerage account to the JLAN bank account. On May 26, 2000 the Texas resident sent another $25,000, by personal check, which was deposited into the same JLAN bank account. Both investments included a notation that the money was to be deposited to the DAR SA sub-account.

10. Once the funds had been transferred to JLAN and Sherman, neither the Texas resident nor DAR SA had access to or control over the funds.

III. Misrepresentations and Omissions

11. Prior to offering, Sherman, JLAN, and Johnson failed to provide either DAR SA or the Texas resident with material information regarding the investments, including a disclosure of the risks involved with the investment, financial statements for JLAN, or disclosure of how the proceeds of the offering would be used.

12. To date, neither DAR SA nor the Texas resident have received any funds from JLAN or Sherman.

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13. The hi-yield, bank-related financial instruments, as described above, purport to involve trading related to unspecified bank transactions. Respondents did not provide investors with documentation of the existence of the so-called financial instruments or trading program and the Securities Division has been unable to find any such evidence.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

I.

The offer and/or sale of the investments by JLAN, as described above, constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12), to wit: an investment contract or evidence or indebtedness and a note.

II.

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because, as described above in the Tentative Findings of Fact, the Respondents made statements in connection with the offer or sale that were misleading or omitted material information necessary for them not to be misleading.

Based upon the foregoing:

IT IS AGREED AND ORDERED that Respondent, David L. Johnson, shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

IT IS FURTHER AGREED that in consideration of the foregoing Respondent, David L. Johnson, waives his right to a hearing in this matter and judicial review of this order.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

SIGNED this ___4___ day of August_____, 2003.

Signed by:

/s/ David L. Johnson
_____
David L. Johnson, individually

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Securities Division
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SIGNED and ENTERED this 8 day of August, 2003

Deborah R. Bortner
Securities Administrator

Approved by:

Michael E. Stevenson
Chief of Enforcement

Presented by:

Susan H. Anderson
Financial Legal Examiner

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Securities Division
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